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**Illinois
American Water**

Terry L. Gloriod
President

ORIGINAL

November 10, 2005

Illinois Commerce Commission
Attn: Elizabeth Rolando
Chief Clerk of the Commission
527 E. Capitol Ave.
Springfield, IL 62701

RE: Docket No. 01-0832

Dear Ms. Rolando:

We are providing a November 4, 2005 Press Release from Moody's
Investment Service related to RWE.

Very truly yours,

Terry L. Gloriod
President

Enclosure

Cc: Maggie Mucciante

American Water

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RWE GROUP

Rating Action: RWE Thames Water plc

MOODY'S AFFIRMS RWE'S A1 RATINGS, DOWNGRADES THAMES WATER UTILITIES FINANCE PLC TO A2 AND RWE THAMES WATER PLC TO A3 BOTH WITH NEGATIVE OUTLOOK FOLLOWING RWE'S STRATEGIC REASSESSMENT

London, 04 November 2005 – Moody's Investors Service has today affirmed the A1 senior unsecured ratings of RWE AG with a stable outlook following the announcement that RWE intends to divest its water activities in North America and the UK to focus on core European electricity and gas businesses.

At the same time, Moody's has downgraded to A2 from A1 the long-term ratings of all debt issued by Thames Water Utilities Finance Plc ("TWUF") and guaranteed by Thames Water Utilities Limited (Thames Water), the UK regulated water and wastewater utility. Moody's has also downgraded to A3 from A2 the issuer rating of RWE Thames Water Plc ("RWETW"). All ratings for TWUF and RWETW have a negative outlook.

Whilst timing and proceeds are as yet unclear, the proposed divestments could improve RWE's financial profile, although Moody's believes that RWE will consider (a) returning cash to shareholders and (b) seeking out appropriate reinvestment opportunities in power and energy markets in Europe over time. Such a strategy may result in a shift to a less stable business profile as the low risk cash flow streams from its water businesses are reduced and potentially replaced with those from higher-risk power and energy investments. Nonetheless, the rating agency would also expect the company, which continues to target a high single-A rating, to maintain a disciplined approach to any such new investments and to target an appropriate financial structure for its changing business risk mix. Moody's will continue to monitor developments for rating implications as further clarity emerges as regards the impact of this shift in strategic direction.

As regards Thames Water, the rating downgrades reflect (a) the fact that Thames Water will no longer be core to RWE's business and (b) the uncertainty concerning the UK utility's future capital structure, which cannot be predicted whilst RWE explores potential exit routes. The downgrade is also based on Moody's view that, ultimately, Thames Water's leverage is likely to be at a level inconsistent with its current ratings. This view is based on the regulatory assumptions for an efficient capital structure – industry regulator Ofwat has assumed leverage of around 55% of regulated asset value for the 2004 price review – and the level of gearing observed across the UK water sector. Taking into account the high debt component of transactions involving a change of ownership of water companies in recent years (although none of them have been of Thames Water's size), Moody's has assigned a negative outlook to Thames Water's ratings to reflect the possibility that the utility's cash flows may have to support a substantial debt burden. The rating agency cautions that leverage materially in excess of the regulatory assumptions would be likely to result in lower ratings.

The following ratings are affirmed as a result of this announcement:

RWE AG

- Senior Unsecured: unchanged at A1, stable outlook.
- Senior Unsecured MTN: unchanged at A1, stable outlook.
- Commercial Paper and other Short-Term Debt: unchanged at Prime-1.

RWE Finance BV

- Guaranteed Senior Unsecured: unchanged at A1, stable outlook.
- Guaranteed Senior Unsecured MTN: unchanged at A1, stable outlook.
- Guaranteed Other Short-Term Debt: unchanged at Prime-1.

RWE npower plc

- Long-Term Issuer Rating: unchanged at Baa1, stable outlook.